

## Adoption of Amendments to the Regulations

Accordingly, 26 CFR part 53 is amended as follows:

### PART 53—FOUNDATION AND SIMILAR EXCISE TAXES

Paragraph 1. The authority citation for part 53 continues to read as follows:

Authority: 26 U.S.C. 7805.

#### § 53.6011-1 [Amended]

Par. 2. In § 53.6011-1, paragraph (b) is amended by:

1. Removing from the first sentence, the language “or 4955(a),” and adding “, 4955(a), or 4958(a),” in its place.

2. Removing from the last sentence, the language “or 4955(a),” and adding “, 4955(a), or 4958(a),” in its place.

Par. 3. Section 53.6071-1T is added to read as follows:

#### § 53.6071-1T Time for filing returns (temporary).

(a) through (e) [Reserved]. For further guidance see § 53.6071-1(a) through (e).

(f) *Taxes imposed on excess benefit transactions engaged in by organizations described in sections 501(c)(3) (except private foundations) and 501(c)(4)—(1) General rule.* A Form 4720 required by § 53.6011-1(b) for a disqualified person or organization manager liable for tax imposed by section 4958(a) shall be filed by that person on or before the 15th day of the fifth month following the close of such person's taxable year.

(2) *Special rule for taxable years ending after September 13, 1995, and on or before July 30, 1996.* A Form 4720 required by § 53.6011-1(b) for a disqualified person or organization manager liable for tax imposed by section 4958(a) on an excess benefit transaction occurring in such person's taxable year ending after September 13, 1995, and on or before July 30, 1996, is due on or before December 15, 1996.

Dated: December 10, 1996.

Margaret Milner Richardson,  
*Commissioner of Internal Revenue.*

Donald C. Lubick,

*Acting Assistant Secretary of the Treasury.*

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## Fiscal Service

### 31 CFR Part 357

[Department of the Treasury Circular, Public Debt Series, No. 2-86]

### Regulations Governing Book-Entry Treasury Bonds, Notes, and Bills; Determination Regarding State Statute; California

AGENCY: Bureau of the Public Debt, Fiscal Service, Treasury.

ACTION: Determination of substantially identical state statute.

**SUMMARY:** The Department of the Treasury is announcing that it has reviewed the State of California's recently enacted law adopting Revised Article 8 of the Uniform Commercial Code—Investment Securities (“Revised Article 8”) and determined that the state statute is substantially identical to the uniform version of Revised Article 8 for purposes of interpreting the rules in 31 CFR Part 357, Subpart B (the “TRADES” regulations). Therefore, the portion of the TRADES rule requiring application of Revised Article 8 if a state has not adopted Revised Article 8 will no longer be applicable for California.

**EFFECTIVE DATE:** January 2, 1997.

**FOR FURTHER INFORMATION CONTACT:** Walter T. Eccard, Chief Counsel (202) 219-3320, or Cynthia E. Reese, Deputy Chief Counsel (202) 219-3320.

**SUPPLEMENTARY INFORMATION:** On August 23, 1996, the Department published a final rule to govern securities held in the commercial book-entry system, now referred to as Treasury/Reserve Automated Debt Entry System (“TRADES”). 61 FR 43626.

In the commentary to the final regulations, Treasury stated that for the 28 states that had by then adopted Revised Article 8, the versions enacted were “substantially identical” to the uniform version for purposes of the rule. Therefore for those states, that portion of the TRADES rule requiring application of Revised Article 8 was not invoked. Treasury also indicated in the commentary that as additional states adopted Revised Article 8, notice would be provided in the Federal Register as to whether the enactments were substantially identical to the uniform version so that the federal application of Revised Article 8 would no longer be in effect for those states. Treasury adopted this approach in an attempt to provide certainty in application of the rule in response to public comments. This, the first such notice, addressed California's recent adoption of Article 8.

Treasury has reviewed the California enactment and concluded that the

variations in California's statute from Revised Article 8 are minor. Therefore, Treasury has concluded that the California enactment is substantially identical to Revised Article 8. Accordingly, if either § 357.10(b) or § 357.11(a) directs a person to California, the provisions of §§ 357.10(c) and 357.11(d) of the TRADES rule are not applicable.

Dated: December 20, 1996.

Richard L. Gregg,

*Commissioner of the Public Debt.*

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## DEPARTMENT OF HEALTH AND HUMAN SERVICES

### Health Care Financing Administration

#### 42 CFR Part 413

[BPD-788-F]

RIN 0938-AH12

### Medicare Program; Electronic Cost Reporting for Skilled Nursing Facilities and Home Health Agencies

AGENCY: Health Care Financing Administration (HCFA), HHS.

ACTION: Final rule.

**SUMMARY:** This final rule adds the requirement that, for cost reporting periods ending on or after February 1, 1997, most skilled nursing facilities and home health agencies must submit cost reports currently required under the Medicare regulations in a standardized electronic format. This rule also allows a delay or waiver of this requirement where implementation would result in financial hardship for a provider. The provisions of this rule allow for more accurate preparation and more efficient processing of cost reports.

**DATES:** This final rule is effective February 1, 1997. This rule is applicable for cost reporting periods ending on or after February 1, 1997.

**FOR FURTHER INFORMATION CONTACT:** Tom Talbott, (410) 786-4592.

#### SUPPLEMENTARY INFORMATION:

##### I. Background

Generally, under the Medicare program, skilled nursing facilities (SNFs) and home health agencies (HHAs) are paid for the reasonable costs of the covered items and services they furnish to Medicare beneficiaries. Sections 1815(a) and 1833(e) of the Social Security Act (the Act) provide that no payments will be made to a provider unless it has furnished the